

PSC DETERMINES COMPETITORS SHOULD BE ALLOWED TO OFFER MCA

Jefferson City (September 7, 2000)---In order to further develop telecommunications competition and give Missouri consumers more options and choices for service, the Missouri Public Service Commission has issued an order which allows competitive local telephone company providers to offer to their customers Metropolitan Calling Area (MCA) service in the metropolitan areas of Kansas City, St. Louis and Springfield.

The Commission's order states: "The evidence indicates that the participation of CLECs (Competitive Local Exchange Companies) in MCA service will serve the public interest just as the provision of MCA service by the ILECs (Incumbent Local Exchange Companies) has served the public interest since 1992."

"We continue to explore additional avenues of providing for more telephone competition in Missouri," stated PSC Chair Sheila Lumpe. "We are certainly willing to consider issues such as the one we have approved today so that Missouri telephone customers can benefit by having this option available to them."

"The evidence in this case," stated Lumpe, "indicates that the MCA service ordered by the Commission in 1992 is still in the public interest. Evidence also indicates that Missouri telephone customers in the three major metropolitan areas of Missouri want MCA service and find it a valuable feature. No party in this case proposed eliminating MCA."

As part of its decision, the Commission has developed the method of compensation for competing telephone companies (bill-and-keep). In addition, the Commission has established a cap on the maximum amount a provider can charge for MCA service. The Commission has also allowed competitive local telephone companies to "expand" flat rate calling in the metropolitan areas beyond the current MCA boundaries if they so desire.

(More)

However, flat rate calling beyond the MCA footprint would have to be called another service, not MCA.

WHAT IS MCA?

The Metropolitan Calling Area (MCA) plan was established by the Missouri Public Service Commission in 1992 for the St. Louis, Kansas City and Springfield metropolitan areas. The MCA plan divides a metropolitan area into several tiers of exchanges. Customers located within the central zone and initial tier(s) are automatically provided the MCA service (it is part of their basic local telephone service). In the outer tiers, MCA is an optional service. The outer tiers provide customers with the option of subscribing to MCA service for an additional flat monthly charge.

This case was established in 1999 to review MCA in light of state and federal laws which have encouraged the development of competition for basic local telephone service.

GEOGRAPHIC CALLING SCOPE:

The Commission has given competitive local exchange telephone companies the option of offering their own expanded calling plans in addition to the existing MCA service. The Commission noted in its decision: "To prevent any confusion for Missouri's telephone customers in the metropolitan areas, the Commission finds that any plans with calling scopes that differ from the present MCA calling scopes should not be called 'Metropolitan Calling Area' or 'MCA' service."

MCA PRICING:

Since MCA is a competitive telecommunications service offering, the Commission has determined that both competitive local exchange companies and incumbent local exchange telephone companies should be given pricing flexibility to charge lower rates for the service if they so desire. The Commission has placed a ceiling cap on what companies may charge for MCA service. In this case, the Commission has determined that the current charge for MCA is the maximum companies can charge for the service thus protecting consumers from price increases.

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